

Interview with Mr. James R. Meenan

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

JAMES R. MEENAN

Interviewed by: Charles Stuart Kennedy

Initial interview date: November 5, 2007

Copyright 2008 ADST

Q: On behalf of the Association for Diplomatic Studies and Training, I am Charles Stuart Kennedy. Today is November 5, 2007. You go by Jim?

MEENAN: Yes, Jim is fine.

Q: Let's start at the beginning. Where did the Meenans come from?

MEENAN: The Meenans came to the United States of America (U.S.) in the 1830s from the Ballymacan Township, Clogher Parish, Tyrone County of Northern Ireland. They were a Catholic minority engaged in the agriculture sector. With the downturn in agriculture fortunes at that time, they took the opportunity to immigrate to the U.S., settling in the Providence area of Rhode Island.

Q: The family basically was in Rhode Island?

MEENAN: Correct.

Q: Do you know, at this stage, what occupations the family had?

Library of Congress

MEENAN: I am advised by a family member, who has researched our family ties, that they continued active in agriculture and at one point, donated some land for the construction of a Catholic church, when it was otherwise being blocked. They were also closely engaged with the Metcalf family and one relative managed the estate of U.S. Senator Jesse Metcalf. Others worked in the then flourishing fabric mills and one was a local policeman.

Q: How much do you know of your grandfather, where was he settled?

MEENAN: My grandfather was settled in North Providence, Rhode Island. He worked as a master weaver in one of the local fabric mills. Eventually, the mills were closed and went to the Carolinas, and now with foreign competition they are moving again - off shore.

Q: What did your father do?

MEENAN: He has passed on. He was a production controller/scheduler in the manufacture process for companies. He started in Rhode Island and, when I was six years old, moved to California and joined a firm that manufactured the hydraulic systems for aircraft.

Q: The whole aircraft industry was pretty much in California.

MEENAN: Yes, the Los Angeles area was particularly active in aviation. On one occasion, my dad brought me to work where I was introduced to the president of that firm. He advised me, "Son, go get a good education. I can hire anyone off the street with a strong arm and back, but I'd pay a good salary for one who uses his mind on the job." That stuck with me for many years.

Q: Had your father gone to college?

MEENAN: I don't believe so.

Q: Where did your mother's family come from?

Library of Congress

MEENAN: They came from French speaking Canada. They also settled in Rhode Island.

Q: Do you know how your mother and father met?

MEENAN: Not directly. It must have been at a dance or social.

Q: You were born in Rhode Island when?

MEENAN: In 1941, just after the attack on Pearl Harbor.

Q: The years you remember were in California, weren't they?

MEENAN: Yes, for sure. I have only a limited memory of my time in Rhode Island, though I've returned to visit with relatives from time to time, including home leave vacations during my Foreign Service career.

Q: Where did you live in California?

MEENAN: In Gardena, California, a small south-central Los Angeles community with local poker casinos and, at that time, a very peaceful environment. We initially rented a house in the downtown area. Eventually we purchased a home in the northern section of town in a small development that an uncle constructed.

Q: How did you find life in Gardena?

MEENAN: It was a bit challenging. While living downtown, I would walk to elementary school at Saint Anthony's Catholic School. When we moved to our own home, I rode my bike the two and a half miles each way to that school. I wasn't too good of a student in elementary school. It wasn't until high school, at Junipero Serra, that I met Brother Edward Maushart, S.M. (Society of Mary - Marianists), who Chaired the Business Department. He opened my eyes to the interesting field of accounting and business administration.

Library of Congress

Q: How was the high school staffed?

MEENAN: Junipero Serra High School, an archdiocesan school for boys, was established by Cardinal McIntyre, Archbishop of Los Angeles, in 1950 and confided to the Society of Mary (Marianists), an international religious congregation founded in France in 1817, comprised of teaching priests and brothers.

Q: You said you weren't a great student in the elementary school. Were there any subjects that you liked particularly?

MEENAN: The only subject that I really held my attention was finance and business administration.

Q: How did this work with elementary? This was the track system, and you were tracked on the business side, weren't you?

MEENAN: Elementary school was just a general education. It wasn't until high school that a student could identify some courses of particular interest. While my first year of high school was focused on college preparatory, it was not until my sophomore year that I discovered my strong interest in accounting and business administration, thanks in good part to Brother Maushart. Brother Joseph Hoffman S.M., Principal, was also most supportive of my academic development.

Q: Were you much of a reader?

MEENAN: No, I was not much of a reader or did I actively participate in sports. I worked most of my free time. In elementary school I had a paper route delivering the Gardena Valley News and one summer worked as a turret-lathe operator in a machine shop. In high school I worked for the U.S. Postal Service driving a truck picking up and sorting mail. I never realized, at that time, that those postal years would prove most rewarding and counted when I would eventually retire from the Foreign Service.

Library of Congress

Q: How did you find the post office?

MEENAN: Very good. In those days, you could either be a box boy at a grocery store or some similar work. I took the Civil Service Exam for the post office and did very good. They brought me on as a part time collector and sorter. It was a fairly good paying job.

Q: Did you have your eyes set on any particular trade or profession?

MEENAN: Earlier on, I just enjoyed working and wanted to get through the academics as soon as possible and securing a sound base on which I could make a reasonable living. High school and college opened my eyes to the advantages of business subjects and the related career prospects, both within the public and private sectors.

Q: How did you enjoy high school?

MEENAN: Junipero Serra High School was a most rewarding experience. The school had just opened in 1950, with most of the construction work still uncompleted. The next ten years were most expansive at the school with students, parents, and faculty all working together to complete the physical plant. I was pleased to participate during the period 1956 to 1960. Continuing a tradition from elementary school, we would host annual "fiestas" or fairs to raise funds for the school, including the sale of raffle tickets, door to door. In addition, my father helped organize regular "bingo" games and acted as the caller during the events. In high school, my mother also managed the cafeteria for lunch and special events. Our high school class saw the completion of the new gymnasium during our stay, mostly funded by the various fund raising events. You had to be innovative in those days.

Q: While you were at the high school, did you have an idea of what you wanted to do?

MEENAN: I found the business subjects being offered interested me most. When I graduated in 1960, it was with a good grade point average and a cash award from a local chamber of commerce. I went to a small business college called Woodbury which was

Library of Congress

located on Wilshire Boulevard, in downtown Los Angeles. It was on a quarter system to the academic year that permitted by degree completion in less than four years. The school's outplacement office had very good connections with employers offering part or full time jobs. This afforded me the opportunity to explore career opportunities in both the private and public sectors.

I took a part-time public accounting position with a Certified Public Accounting firm, but I did not find that work very interesting. On one assignment, the challenge was to establish an accounting and records system for an older gentleman, whose appearance matched that of a hobo. He brought to the office what few check stubs and records he had in shoe boxes. He had no balances recorded in any checkbooks nor had any reconciliation been made with the bank's records over the years. He did happen to own three quarters of a block on Spring Street in downtown Los Angeles and he also owned a farm in Hawaii, which made for interesting tax reporting. I set up a whole new set of records for him, closed out all his old bank accounts and opened new accounts as we went. That was a most challenging assignment I did not want to repeat. Later, I learned that he was able to acquire the remaining portion of that Spring Street block and now a skyscraper sits on it in the middle of the city's financial district.

I also worked part-time for an exclusive men's club, the Jonathan Club. Both of these jobs pointed me more towards a public sector career, where initial work assignments seemed much more interesting.

Q: The Jonathan Club was a beach club, wasn't it?

MEENAN: No, the main club was in downtown Los Angeles, which it did also have a smaller beach facility. I worked in the accounting department and learned I did not care for straight accounting work.

When I graduated from college, I had a good grade point average that proved of interest to the U.S. Air Force Auditor General's (USAG) local headquarters, which had links to the

Library of Congress

school's outplacement office. They offered a new program where a new hire would start as a GS (General Schedule)-7, which was pretty good pay in those days, and would receive an automatic promotion to the GS-9 level in a year. I found the work offered in auditing as well as the compensation to be most interesting and accepted a position.

I was assigned to the USAG's resident office at Douglas Aircraft in Santa Monica and worked on the Thor-Delta satellite launch missile. It's interesting to note that the Delta missile, with update modifications, is still used today as a main U.S. satellite launch vehicle. We were part of a negotiating team, tasked with reviewing the contractor's proposals for new procurements. The work entailed looking into the historical information that was being used as the base for projecting the costs for the new procumbent. I enjoyed exploring the actual historical records being used and uncovering various nonrecurring cost items that should have been removed before using the data for any new projected procurement.

Q: How did these nonrecurring costs get added to the procurements?

MEENAN: The contractor would take the history of an older missile that had incurred unusual extra costs and propose this as the base for projecting the cost for the new missiles being procured. After digging deep enough, I often found it wasn't a straight, clean production run at a cost that should be replicable in any future procurement. We had to remove the inflated costs before projecting a reasonable cost for the new missiles, using an appropriate learning curve. In the manufacturing process the costs for the early products are higher because workers are still learning the processes. Later produced products benefit from a learning curve and the costs flatten out as production increases. I enjoyed performing these cost proposal audits. I also sat in on a couple of negotiations. I learned that the negotiations were a formality in that each side went through the motions of devoting a set number of days for the task, based primarily on the size of the procurement. It was interesting to witness, but this type of work did not interest me as a long term career.

Library of Congress

Q: Was this turning you into a pretty good investigator and accountant?

MEENAN: Yes. I learned never to take anything at face value. Dig and scratch because the real story normally is a little deeper than what is on the surface. That proved to be the case throughout my Foreign Service career.

Q: When you look at it objectively, would you say the inflation—the padding—was really designed to cover the costs?

MEENAN: No. The contractor was attempting to price the production costs for missiles say, 100 to 110 based on the cost of the much earlier missiles that were produced, which overlooked any design improvements or employee learning curve benefits. By necessity, we would go back and use the manufacturing cost of a more reasonable group of missiles then apply the enhanced learning curve to come up with a more reasonable cost for the current procurement. The engineers on both sides would argue the technical aspects for the new missiles which could also adjust the costs accordingly.

Q: How long did you do this?

MEENAN: I did this work for about two years, 1963 to 1965. I was interested in more meaningful employment and thought some type of overseas work would be most interesting. However, the USAG offered limited overseas opportunities. I did start my career as a GS-7 and was promoted to GS-9. However, it raised some issues with other USAG staff members because, after many more years of service, they were now at the GS-9 level.

I saw an ad in the Wall Street Journal inviting applications for auditor positions in some 87 foreign countries with an organization called the U.S. Agency for International Development (USAID). I had never heard of USAID so I had to visit a library to learn of the organization's mission and type of operations.

Library of Congress

I was most impressed with the good work USAID was tasked to perform and thought I could contribute. Going back a step, when I was in college I had the pleasure of briefly meeting John F. Kennedy at a Union Station campaign event. He was most impressive and since he had just restructured USAID, it further caught my interest.

Shortly after submitting my application, I received an invitation to come to Washington, DC for an interview. The fact that USAID would invest in my travel and expenses for the interview, further heightened my interest.

Within a few weeks of the interview, I received an offer for employment. Interesting enough, when the offer arrived, 86 of those 87 countries dried up. There was only one left. In 1965 you could guess what country that would be - Vietnam! I was to join a special auditor training program with 10 others before proceeding to Saigon. The training effort was curtailed when eight of the 10 new auditors dropped out, because the U.S. Embassy in Saigon had just been attacked with a bomb carried in a taxi. It was only I and one other individual who continued on with the assignment.

As a result, I was to link up for training purposes with a roving audit team that was performing full program reviews in a particular country. However, the identified team I was to join changed frequently for the first couple of weeks. In each case, I was receiving the State Medical Unit shots for that particular trip. So by the time my trip was finally arranged to review the Liberia program, the nurse advised me that I had received every shot they had to offer.

Q: What was observed in the Liberia review?

MEENAN: It was a productive two month effort that really opened my eyes to the economic development needs of the country. As my first overseas trip, it conditioned me for my Vietnam and all future assignments.

Library of Congress

I observed that USAID/Liberia had completed major facility construction work, using its restricted petty cash operation and without appropriate Washington approvals. A visit to the port also revealed that a Foreign Service officer's lift van belongings, that were to be transshipped through the port of Monrovia, were mistakenly placed, some years earlier, in the Distressed Cargo holding area of the port. The contents were a total loss.

The team also documented the issues that: a hydro-electric dam being built would not function properly due to a lacking river flow; a major hospital build in Monrovia was not functional due to its over design for the country and lacked basic equipment because of General Services Administration failed procurement process; a telecommunications reform project that was not achieving needed results because the elite families of Liberia would not pay their long distance phone bills to the U.S.; and most Liberians sent for education/training in the U.S. were taking twice as long to complete the courses and/or not returning to Liberia.

Q: Was any specific Vietnam training provided?

MEENAN: When I returned from the Liberia review, I entered a Vietnam specific training program that was conducted in the Rosslyn, Virginia training center. The course covered guerrilla warfare and Vietnam area studies. The trainees comprised a unit from Air Force Intelligence, one of its members I had met earlier in a USAG training program, and Colonel (Col.) John Paul Vann. Col. Vann had earlier served with the Army in Vietnam and had his own views on how the war should be conducted. Now with USAID, he had the authority to better put his views into action.

Mr. Mike Bengé, who worked with the Montagnards in the central highlands of Vietnam, also participated and added good insights to the real world situation in the country. He later was captured by the Viet Cong and became a Prisoner of War. Upon securing his freedom, he continued his USAID career.

Library of Congress

Q: How was work in Vietnam

MEENAN: I was assigned to the Audit Branch of the Comptroller's Office in Saigon, when the operation was still referred to as the U.S. Operations Mission. A short time later, it was renamed USAID/Vietnam. I started out in auditing at a point where no one in the mission seemed to want audits undertaken. There was, however, strong congressional interest in our oversight work. Some staff changes were made including the posting of a new comptroller.

At the time of the arrival of the new comptroller, I was in the midst of performing an audit of the countrywide cashing operations. Since there was no national banking system, the local payments for project work was carried out through cashiers in each region. The air transport services of Air America, which functioned as our regional taxi service, facilitated my unannounced spot audits.

I was in the midst of one of these spot audits when I received word to report back to the new comptroller in Saigon. Mr. David Curtain, Comptroller, surprised me with a request that I take up the post of managing all the USAID local currency in the country. I was only two years or so out of college, and I was being placed in charge of well over a billion dollars in local currency. All the local currency records had been hand kept by Vietnamese staff. There was not a direct American manager involved which could pose a breakdown in internal controls.

The records were all hand written, so the first thing I did was to contact the local National Cash Register (NCR) representative to explore establishing an updated mechanical accounting system. We worked out the introduction of a NCR posting machine along with a new chart of accounts. I shortly learned that the programming of these local currencies wasn't of interest to the program office, so I assumed this responsibility. The programming aspect encompassed determining where and when local currency was needed and how it would be delivered.

Library of Congress

I learned that the finance ministry had issues with Nguyen Cao Key, the country leader, and blocked the funding of some favored local projects. The ministry officials left me with the impression that they didn't like Americans much, favoring their older ties with the French. They would erect all sorts of roadblocks in providing official Vietnamese money that should have supported economic development projects to counter the Viet Cong.

One such issue developed when the ministry froze the funding for the collection of garbage in Saigon. The trash was piling up on the streets so we had to run quickly and set up a payroll operation for the garbage collectors. We actually went out and paid the garbage collectors in Saigon to clean up the trash and keep the thing going until we could bring enough pressure to restore the regular flow of Vietnamese currency, the Piasta.

Q: What was the problem?

MEENAN: Internal battles within the Vietnamese government, particularly the finance ministry not supporting Nguyen Cao Key and others in his administration. We also had a devaluation of the Piasta, pushed by the U.S. When they negotiated that devaluation between our two governments, they executed an agreement that threw a monkey wrench into our local currency operations. The agreement changed the method of collecting all of the local currency generated by the Food for Peace (Public Law 480) shipments, which funded a great number of our programs. The agreement changed the method for computing the local currency due from the available data on shipments from the U.S. to the undocumented arrivals in Vietnam.

Since there was no data on food shipment arrivals in Vietnam on which to base our billings to collect the Piastas due for the food provided, the Vietnamese commingled the local currency funds in its general import currency generation account. As a result, quite a few millions of dollars in local currency funds due the U.S. were blocked.

Library of Congress

One key beneficiary of the Food for Peace funds was the U.S. Military Assistance Command-Vietnam (MACV) that relied on receiving USAID funding on a regular basis in order to pay the salaries of the South Vietnamese Army (ARVN) forces. When this blockage happened, it threw these payments into limbo.

Two courses of action were developed to address the commingled funds and to rectify the problem created by the devaluation agreement. For the commingled fund problem, we determined the rough amount of funds that were due the U.S. from the existing balance in the ministry's account. In a meeting with finance ministry officials, we proposed a percentage split for the local currency due the U.S. be applied to the balance in the account. The ministry initially balked at our proposal, wanting to keep the fund blocked until it could come up with its own computations. I pointed out to the officials that this blockage would directly impact the funds going to MACV and the ARVN forces for payrolls, unless they agreed to the split. It was further noted that the interested parties would be advised that the delayed funding was due to finance ministry actions. When it learned of these potential impacts, it saw the light of day and negotiated a split of the blocked funding.

In regards to the complication imposed by the devaluation agreement, we learned that the U.S. Embassy and the Vietnamese Foreign Ministry did exchange notes correcting the situation, but the embassy staff could not locate the documents. My chief local accountant was of North Vietnamese descent with many good contacts in the South Vietnam government. He was instrumental in making use of his contacts in the foreign ministry and secured a copy of the exchange of notes correcting the devaluation agreement. With the notes in hand, we were able to present them to both the embassy and finance ministry staff to resolve the issue for future collections of local currency due from Food for Peace shipments.

Library of Congress

Q: We're going through similar problems with Iraq right now. Was most of the economic assistance provided for stabilization purposes?

MEENAN: Yes. We were building power generating plants, distribution systems, roads, and providing a full range of basic economic development projects to improve the living standards for a more stable country, even under wartime conditions. Much of the focus was on decentralized regional development and growth that directly supported village level activity. There was some real progress being made in this area including the fine work of Colonel Vann, who later perished in an aircraft accident. The USAID staff was dedicated and committed. Under difficult conditions, whether it be war, ethnic violence, or poor emerging economies, I strongly believe the best approach is to undertake assistance efforts that directly supports keeping the local population actively employed in one form or another and with a source of food for nourishment. With the basic population's needs being addressed, the country can more effectively advance with more progressive economic growth activities. However, as an outsider, the U.S. can do nothing until the local leaders and population take the lead in improving their own lot. This approach could have helped Russia when it transitioned to a market economy as well as now in Afghanistan and Iraq.

This point was made even clearer when I worked in Sri Lanka. I witnessed, first hand, what ethnic violence, between Tamils and Sinhalese, can do to impede a country's great economic growth. Unfortunately, the violence is still on going today. Applying this perspective to Iraq, the violence is similarly ethnic driven and not a political war for territory expansion, as we have seen in past world wars. Ethnic violence seems much more vicious and targeted at specific individuals or groups in a community. As an outsider, the U.S. is very restricted as to what it can do to help, until the local populations take the lead in creating a reasonable working environment.

Q: What was your impression of the Vietnamese government that you were dealing with?

Library of Congress

MEENAN: I felt that the Vietnamese government needed a lot of support and, unfortunately, the U.S. in many cases had to step in and take the lead in providing the impetus to stabilization as well as economic development activities. The government seemed to be doing what it could, given its limited capacities. While some in government like the finance ministry official's actions seemed to be counter productive. You try to deal with them the best you can.

There was a marked difference between North and South Vietnamese. The South Vietnamese seemed more agriculture focused while the North was more industrially productive. That's why my chief accountant was a North Vietnamese, who was fairly aggressive with many contacts.

Q: Was there much pressure put on your team by the South Vietnamese to cook the figures?

MEENAN: No, none whatsoever. The program was project driven with each activity carried its own funding requirements. Of course, the project activities were worked out in advance with Vietnam officials. One such project was a power distribution project being implemented by the National Rural Electric Cooperative Association (NRECA) from the U.S. The project entailed constructing wood pole treatment plants to support the expansion of power lines. It was a good effort being carried out under difficult circumstances.

One thing I did notice was the weapon of preference by the Viet Cong in Saigon seemed to be the Claymore Mine. It was a small rectangular mine that sprayed steel balls from its flat surface, thus making it well suited for placing in saddlebags on a bike that is parked at a strategic location. One such use was against customers on the Mekong Floating Restaurant. The attackers would set off an initial Claymore to get people fleeing. The real damage came with the backup Claymores that would catch the fleeing customers. We

Library of Congress

were advised that if there was an explosion, you should promptly drop and face your feet in the direction of the blast to minimize personal injury.

Q: How long were you in Saigon?

MEENAN: I was posted to Vietnam for an eighteen month assignment starting in 1965 and ending in 1967, just before the Tet Offensive.

Q: How did you feel about how things were going there?

MEENAN: During my assignment the size of the USAID mission more than doubled. It was a difficult situation, trying to blend military action with economic pacification. I was hopeful that our efforts could work to provide some economic balance in the regions and help the population determine their own fate. As soon as one plays the military option, effective negotiations and economic persuasion to neutralize a situation, goes out the window. If one utilizes diplomacy and economic persuasion, there is a much better chance of achieving the objectives and insuring economic and political stability. This is particularly true for the U.S., because we carry a lot of extra baggage and resentment as a result of any intervention. If the U.S. can actively work with foreign countries to assist to get their economic houses in order, then we can often avoid a destabilizing situation.

Often enough we don't pay that much attention to the economics of a situation. The U.S. seems to be overly focused on the political and military options and not the economics that may be driving the problem. USAID, with its multiple congressional mandates, seems to have lost its way and now is trying to manage, through contractors, a convoluted program of non-economic activities. At the end of the day, USAID will have spent the appropriated funding but not have improved the economic wellbeing of the recipients or necessarily have that much to show for the expenditures.

Library of Congress

In the older days, following my Vietnam assignment, I had the pleasure to serve in Brazil, where real economic development was underway laying the foundation for the country's current good fortunes.

Q: Where did you go from Saigon?

MEENAN: While I was initially assigned to Argentina, that USAID program was soon closed, so I was offered an audit position in Rio de Janeiro, Brazil. During that assignment, I spent a good amount of my audit time in the northeast of Brazil, where an extra effort was being made to improve the lot of the rural population and reduce the migration to larger cities.

On one such audit of a Food for Work program, I observed one of the best basic economic stabilization efforts being practiced. While the accounting for this type of effort has proven challenging, it does offer local participants good work and both cash and food in payment. The program blends the surplus food supplies from the U.S. with the local currency provided by the local government in paying local laborers to undertake municipal projects. In the northeast of Brazil, the projects I reviewed included one for the reconstruction of the town's cobblestone main street.

While the work went well, I did document the fact that the local mayor had diverted some of the food, but that can be expected. The governor's representative traveling with me carried a .45 caliber handgun for protection and cautioned me not to press the mayor on the shortage because he had some involvement in a local shooting that took place the night before our visit. The governor would deal with the issue after our departure from that town.

Q: How did the Food for Work program work?

MEENAN: Basically, the U.S. provided its surplus agricultural products, sometimes through voluntary or some public/private institution, which would distribute it to the

Library of Congress

local populace. The better arrangement that I liked was when the effort structured the assistance as a Food for Work activity, so the recipients were actually put to work on some local development activity. With the local entity also adding some local currency to the compensation package, the participants had a better work incentive package.

Q: How did you view Brazil? You were in Brazil from when to when?

MEENAN: I arrive in Rio de Janeiro in 1967 and departed for a new job with the U.S. Navy in 1968. The USAID program was quite large, exceeding \$100,000,000 a year in economic assistance.

Q: In Brazil, what program issues did you identify?

MEENAN: Overall, I found the USAID program to be quite dynamic and delivering the resources needed for the country's effective growth. I did perform reviews of two program shortcomings dealing with the adequacy of the USAID's oversight efforts.

The main iron ore mining company had imported, under a USAID Commodity Import Program, extensive amounts of Caterpillar equipment. However, a U.S. seafarer photographed this equipment stranded on the docks of a port just above Rio de Janeiro and reported it to his congressman. Upon arrival at the port, I confirmed the fact that extensive amounts of equipment, in fact, were distressed all because the local customs official would not clear the items. The customs official took the position that all parts making up the Caterpillar piece of equipment had to come from that sole company. So if he saw any other firm's item on the machinery, he blocked the clearance. Once we confirmed the facts, the U.S. raised the issue with the Brazilian government and that customs official was removed and the equipment promptly cleared for use by the importer. This did serve to show the USAID that some end-use inspections were needed of the goods imported under its large commodity import program. This type of assistance was good both for the U.S., since it helped introduce U.S. goods to new markets, and the host

Library of Congress

country, in that it provided current technological goods at a reasonable price for economic development.

On a major power distribution system project the USAID was funding, we confirmed the findings of a recent evaluation report that identified many construction and technical shortcomings that the USAID was not addressing. With the assistance of one of our local audit staff, we proceeded to inspect the full length of the transmission system, including substations that ran from the hydroelectric dam, the Japanese were building, down to the major city of Sao Paulo, Brazil. We traveled by off road vehicle and small aircraft that the power firm made available and confirmed the shortcomings that included substation blockhouses where the walls and ceiling wouldn't meet and transmission line arrangement difficulties. At one point in our travels, our small aircraft was forced down by bad weather as we approached Sao Paulo. We had to buzz the local office of the power company so they would send a vehicle to a nearby dirt landing strip. Once the transport switch was completed, we continued the rest of the way in the pouring rain by vehicle.

In documenting the findings for USAID, its senior engineer assigned to manage this project took the position he did not need to go out and inspect every inch of the transmission line to do his job, but he could simply walk across the street and talk to the power company executives. Accordingly, we included his position in the final draft report that was circulated to senior USAID management. That position received a lot of attention! We did get our message across and it was agreed that field inspections were a vital part of managing projects, so we removed his earlier position from the final report. We believe a lesson was learned: Don't try to get short with auditors, it can come back to haunt you.

I was pleased to see the good work that was being accomplished with a local currency loan provided the Getulio Vargas Foundation, which is the think tank for Brazil policy makers on economic matters. Later when I was a private sector trade advisor to the U.S. Secretary of Commerce and the U.S. Trade Representative, I observed that they were having negotiating difficulties with Brazil on the Free Trade Agreement for the

Library of Congress

Americans. Accordingly, I recommended that they explore the possibility of quietly opening a door for discussing the broad trade objectives with the folks from the Foundation. This could possibly find some common ground where the policy makers could sort out their differences and avoid further direct confrontations that the U.S. has had and continues to have with Brazil. I believe that the U.S. has built up a lot of good will with Brazilians familiar with the level of assistance provided in the 1960s, it would be hoped that U.S. leaders could recognize these earlier efforts and build upon them in the current dialogue.

Q: What prompted your change in employment?

MEENAN: USAID was following questionable personnel practices that were not conducive to establishing a career. It was retaining Foreign Service personnel in a "limited" employment category without moving them to career status as well as requiring they fill positions that were classified as two to three grades higher than the grades at which the employee was being paid.

While in Vietnam, I was performing the tasks at two to three grades higher than my compensation and when I departed, my work was taken over by three senior Foreign Service officers. In Brazil this same disparity continued and USAID did not remove my "limited" appointment status. To add insult to the injury, USAID initiated a new "fast track" employment/advancement program for International Development Interns, but declined to allow existing employees to participate.

So again, I visited the Help Wanted section of the Wall Street Journal and located an ad by the U.S. Navy for a budget officer on its new Polaris/Poseidon submarine program. I applied and was hired in Brazil. The position was with the Special Projects Office, later renamed Strategic Systems Office, of the Navy, and located in the old Naval Munitions Building on the mall in Washington, DC.

Library of Congress

Before departing for the navy venture, I was most pleased to marry a “Girl from Ipanema” who also happened to be a senior administrative staffer in the loan office of the USAID. The wedding took place in the chapel at the governor's palace in Rio de Janeiro.

Q: What work did you do for the Navy?

MEENAN: Upon reporting for duty, I learned that the admiral heading the operations had been promoted by congress and not through normal channels. This made for a difficult work environment because multiple budgets were prepared, one for the direct submission to the congress, and a second that was not as accurate submitted to the Pentagon. This situation resulted in a high turnover in office staff. After about a year in this awkward position I contacted USAID/Washington and they offered me a nice audit position in Santiago, Chile.

Before departing the Navy position, I did some research into the accounting that was being used for the termination costs on some major works. I remembered from my time with the USAG at Douglas Aircraft that when the U.S. terminated a project, the termination costs can run as much, if not more, than the original cost to complete the work. I called around the U.S. to the prime contractors and contracting officers and determined that a final settlement for these costs had just been worked out. Unfortunately, the Navy had not set aside any funding for these payments and would have to go back to congress for the funding.

Q: Why are the termination costs so high?

MEENAN: In most cases, a termination notice comes late in the production process, once all the upfront engineering, tooling and related costs have been incurred and production staff assembled. At this point, the bulk of the production costs have been set and the added demobilizing costs just runs higher than if the job was completed as originally planned. A termination notice is usually issued when it is determined that the technology

Library of Congress

or the design to be used is flawed. While many technology changes can be handled by a simple modification, the extreme situations require a full termination.

One such termination that I saw at Douglas Aircraft in the 1960s was for the Skybolt Missile System.

Q: Skybolt.

MEENAN: Yes. It was an embarrassment, because the Pentagon kept trying to get this missile to work properly without much luck. The President put out the order to terminate it, but Douglas Aircraft decided to try one more test, which proved somewhat successful. That unscheduled test did not go over well and extra audit efforts were taken to insure that the company's general overhead costs that the Skybolt program was scheduled to absorb were now to be shared by all company projects, commercial as well as defense.

Q: Skybolt was quite a thing. We were trying to get something going with the British on that.

Q: You went to Chile when?

MEENAN: We arrived in Chile during 1969 and remained until the Audit Office commenced closing in 1972. This assignment was one of the most enlightening experiences in my career. When we arrived, everything was peaceful and quiet, before the presidential election process started. The Audit Office was under the USAID Comptroller, until about a year later, when an Auditor General operation was created with its South American regional headquarters based in Rio de Janeiro, Brazil. The Audit Office was initially staffed by one other American, and a group of about four Chilean auditors. The Chilean staff was mostly educated in the U.S., sharp, inquisitive and as good as an American auditor. After the first year, I was the sole American residential auditor in Chile.

Q: Did you get any feel for pressure on Allende?

Library of Congress

MEENAN: Quite a bit! For example, in contrast to the local currency conversion policies in Vietnam that prohibited the use of black market exchange rates, I was surprised to learn that the U.S. Embassy was actively supporting money runs to Buenos Aires, Argentina to obtain Chilean currency at much enhanced rates for employee personal uses.

Q: Was there much discrepancy?

MEENAN: Oh, yes, due to the economic distortions in the economy, the unofficial exchange rate was running about double or more than the official rate applied for the U.S. dollar.

Much of the economic distortions are traceable to the Frei Administration that resisted opening the economy to the campesinos, poor rural farmers. In contrast, Allende campaigned on a platform that attracted many of the professional middle/upper class people, to open the economy and enhance participation for all Chileans. Unfortunately, his reformist objectives to open the economy including the campesinos did not last long, following the election.

Shortly after taking office, Allende appears to have lost control to his radical elements. The reformist agenda was scrapped for a radical course of action that included freezing prices, double-tripling wages, taking over companies, and seizing properties. Literally for that first year, we witnessed the country liquidate its national wealth. These actions lead to curtailment of most local goods production and rapid consumption of what little inventories existed. With the “enhanced” exchange rate we were receiving, a good meal out with entertainment became obscenely cheap.

Q: Did the audits reveal any significant issues?

MEENAN: Two audits, in particular, directly tied the misuse of USAID funds to the campaign against Allende before the election. One audit involved a Jesuit priest who had a USAID/Washington grant for family health promotion that was paid by the USAID

Library of Congress

comptroller's office in Santiago. This strange arrangement did not provide the Agency with much oversight opportunities. We undertook the audit and ascertained that the grant had been poorly written and lacked most basic controls. The poor scope of work along with the lacking oversight called into question the activities that were taking place for encouraging population family planning amongst the heads of the countries in South America which appeared in conflict with overall USAID/Washington policy.

Once a review of the financial records commenced, our Chilean auditors found that sub-contracts were being executed for work under the grant, but instead of proceeding with the tasks, the sub-grants were being promptly terminated once full payment was received from USAID and the funds diverted to another account. The audit found the diverted money was co-mingled with other outside funds that were used in a campaign against Allende's election. In addition, at the end of each year, the grantee and staff would enrich themselves by dividing up any unused USAID grant funds. Near the end of the audit, the grantee's records were being destroyed in anticipation of Allende being elected and the Grantee's eminent departure from Chile.

The contracting office in Washington was not happy when the audit report was released. Others were not very pleased that we undertook this review. However, some months later, I received a book issued by Praeger Publishers that substantiated our findings and the actions that were taken against Allende's election.

Q: What was the other audit case you identified?

MEENAN: The second linked audit involved an education sector loan USAID had made to Chile. The loan project entailed providing a mix of cash transfers for education policy reforms as well as funding procurements for educational books and supplies. Chile did undertake good education policy reforms, not that it could be determined that the USAID cash transfers had that much of a direct influence. However, the audit found that most

Library of Congress

of the educational supplies that were provided from the U.S. had been distributed to the various schools, but for one reason or another they were locked away in storerooms.

The case of the locally printed text books provided another venue for the diversion of USAID funds. In these procurements, the USAID was buying local currency with U.S. dollars, and paying for the printing of the new curriculum text books. Our Chilean auditors determined that the prices USAID was paying for the textbooks were significantly higher than the cost of the same items on the local market. Upon further analysis, they learned that the overpricing was directly benefiting the publisher, who happened to be owned by the Christian Democratic Party, which supported the Frei election.

Q: How well were these findings received?

MEENAN: I learned some time later that the USAID director, who later became an ambassador in Central America, sent a blistering message to Washington asking that they close the audit office in Santiago and disperse the staff. The reason he gave was that we were acting like “Gestapo” secret police, in that we were going into areas that we shouldn't be in and he was fed up with it.

Before eventually closing the office in advance of USAID's departure, we did perform a review of USAID's general fund for administrative expenses. Low and behold! We found an apparent Anti-Deficiency Act violation in that the USAID, under the director, had undertaken a brand new project during a Continuing Resolution restricted funding period established by congress. During such a period, no new activities are to be started and operations can only proceed at the same or lower level of the previous year. The audit further found that the USAID had this new project fully expended before they ever received approval for the activity from Washington. Months later when approval did come, the USAID transferred the accounting for the activity from the operating expense account over to the project.

Library of Congress

Q: Would you say that the Allende government was under much pressure or running scared?

MEENAN: From my perspective, the Chilean economy was a pendulum that was going to swing. The Frei administration's policies and practices were very confining and did not benefit a large element of the population. It was distorting and polarizing the country—haves, have nots—and it was working up to a destabilization effort of one form or another if something wasn't done in the election. Frei's whole campaign was, "Continue the status quo," while Allende was campaigning on, "It's time for reform. Open up the economy. Bring the campesinos in." That's what attracted a number of professional people to support Allende in the election.

Shortly after Allende did take office, his radical elements really rose up and, from my perspective, turned the direction of his efforts to the radical leftist elements. Chile was very proud to have freely elected a socialist president. Note: Now that USAID/Washington has actively strayed from an economic development focus to promoting democracy and free elections around the world, it should remember this Chilean experience in that the U.S. may not like the results these efforts produce.

At the time of Allende's inauguration, a close relative of one of our audit staff was still the head of the carabineros, the national police. He provided the staff with his tickets so we could attend the inauguration and sit in a good location, behind the president, for photographing the parade of troops.

Q: Was the United States screwing up the economy or was Allende doing the job?

MEENAN: The U.S. Embassy was blessed by having Mr. John Sprout as its economic reporting officer and he did an outstanding job in gauging the rising economic pressures and the points at which they would have political impact. John later became the head of the Foreign Service Institute of the Department of State.

Library of Congress

Q: Was the United States the precipitator or was it Allende?

MEENAN: The U.S. wasn't doing that much to support needed economic reform or change from the status quo of the Frei administration. There had to be change because the status quo wasn't serving the needs of the population. When that economic pendulum starts to swing, one needs to be actively upfront making needed input in order to have any impact. However, nothing seemed to be done to try to neutralize the radical elements of Allende's group and get more centrists coming forward to provide direction.

From our audits, it became clear there was money flowing in a campaign against Allende. I believe that the U.S. and others got on the wrong side of the problem and ended up providing an environment for the more radical elements to grow. Possibly, more attention could have been placed on Frei to open up the economy and become more of a centrist reformer than a status quo campaigner.

For example, Chile produced great agricultural crops; however its post harvesting, processing, and distribution systems were nonexistent. A friend from a California cooperative was providing some basic packaging and marketing advice that proved invaluable in opening the first cooperative market for fresh fruits and vegetables in Santiago. This model could have proven replicable to bring the rural poor farmers into the growing economy. However, these initial efforts died in the economic chaos that developed.

During our assignment in Chile some friends at the Brazilian Embassy confided in us its concern that the U.S. seemed to be pulling out of South America and that Brazil was going to have to fill that void both economically and possibly militarily. When the U.S. went on its intervention initiatives in Central America, including El Salvador and Nicaragua, this concern was further heightened. Today, the times have changed. The U.S. seems to be slowly realizing that the real economic power in the Americas lie in the Southern Cone, a key sphere of Brazilian influence. This is particularly true in the U.S. efforts to negotiate a

Library of Congress

Free Trade Agreement with the Americas. The Brazilian economy is strong and it has set itself up as a leader in the hemisphere.

Q: Were you getting discouraged as you were working in Chile?

MEENAN: I saved a L'il Abner cartoon strip that sums up the frustration an auditor often encounters. It read as follows:

L'il Abner cartoon from the cold kingdom of Lower Slobbovia by Al Capp

ABNER: Mah mishun in Lower Slobbovia is to find out whut they's spendin' all them American billyuns on!! Thar's nothin' to buy here!! For THIS they need a billion a week? Is that good king nogoodnik?

KING: This week's billion just arrived from the Hew Hess Hay, my frizzing subjects!! Now we can all get warm!!

ABNER: Whut kinda fuel is yo' gonna git?

KING: We GOT iour fuel!!

ABNER: They's burnin' MONEY!!

RESIDENT: Notcherly!! Is nuttin here to buy with it!!

Later in Washington, DC
SECRETARY: That idiot recommended sending them old mail-order catalogues instead!!

SENIOR OFFICIAL: That's what we get when we send a mere citizen on a Statesman's errand!!

Like that L'il Abner cartoon, the frustration was becoming tired of continually documenting where things were going wrong and finding little real interest in resolving the issues.

Library of Congress

Q: How did your family enjoy the Chile assignment?

MEENAN: The work aside, we loved the assignment and the opportunity to develop good local friends with whom we continue to keep in touch. Our first son was born in Santiago. The locally available cribs were built low to the ground, and in that cold climate they were not very healthy. I wrote Montgomery Ward's and ordered a crib for our son, however the shipping cost would more than double the price of the item. I was surprised to learn that while dependent children and students traveling to post received a shipping allowance, the regulations provided no such assistance to newborn Foreign Service dependents.

We filed an appeal with the American Foreign Service Association (AFSA) and the State Department. While they acknowledged our predicament, the State Department would only establish a crib allowance for future newborns, declining our request for reimbursement. It still seems discriminatory that newborns do not receive an initial shipping allowance to cover their initial basic needs when born overseas, but at least they can have a decent crib to sleep in, if nothing else.

Q: When you left Chile, where did you go?

MEENAN: We were assigned to a regional audit office based in Panama City, Panama from 1972 to 1974.

Q: I take it this wasn't a very comfortable assignment.

MEENAN: Correct, the attitude toward Americans in Panama was just the opposite of the warm welcome we experienced in Chile. When we arrived in Panama, Omar Torrijos was ruling although they had a figurehead president. The relationship with the U.S. was complicated because discussions were starting on the future of the Panama Canal Zone.

One example of the local attitude became clear when we were at home one lunch time, and there was a knock on the door. This Panamanian barges in with his entourage, starts

Library of Congress

looking around, and demands we immediately vacate this rented house. As it turned out, he was the owner who had just been recalled to Panama by Torrijos.

Since we had a two year lease on the residence, we were not about to be moved out immediately without adequate alternative housing. A couple of days later I received a call, again at lunch time, from USAID advising me not to return to the office that afternoon, because some national police had come looking for me. Later I learned that the Panamanians had threatened to evict me from the house and country. Fortunately cooler heads prevailed and I eventually located another suitable house.

Having earlier been denied emergency medical assistance at the main U.S. military hospital in the Zone, our second son was born in a Panama clinic. Later, the State Dept. assigned a doctor to the military hospital to insure Foreign Service staff received the help needed.

Q: What particular problems were identified on this assignment?

MEENAN: While most of the projects I reviewed in the region were good, two particular problem areas were uncovered. One problem was in Panama itself that involved the alteration of USAID documents to remove equipment items from the U.S. military bases. The other problem involved a potable water project in Georgetown, Guyana that was greatly expanding the supply of drinking water without addressing how the waste water would be handled in an already overflowing open canal sewerage system.

In Panama, what started out as a routine review of the extensive use USAID, in the region, was making of the excess property made available by the U.S. military bases in the Canal Zone, quickly developed into a full criminal investigation. The USAID in Panama would issue requisitions for itself and other AID programs in the region that would utilize this property to augment their own economic assistance programs.

Library of Congress

When I started comparing the issued requisitions with the copy of the filled orders, it became apparent that the original requisitions had been altered and many other items added. In checking with the recipients of the ordered equipment, it was determined that the added items were not provided to the named recipients but diverted elsewhere for unauthorized purposes. What we found out was that the scam involved the military excess property officer in the Canal Zone, when the Federal Bureau of Investigation confirmed that the alternations were made by a typewriter in that office.

After further review, we found that the added equipment items, including such large pieces as a helicopter, fire truck, etc. were diverted to a pet project Torrijos was running on the boarder with Costa Rica, called Renacimiento. We visited that site and located much of the diverted equipment items. While a case was submitted to the local U.S. Attorney's office, it declined to prosecute given broader interests.

Q: What was discovered in Georgetown, Guyana

MEENAN: The work in Georgetown, Guyana would take a couple of months. One particular project for potable water followed a questionable “push” approach to development. Having located a good potable water source, the project was focused on delivering the supply to residences and communities in Georgetown. While many of the houses were plumbed for internal water delivery, the vital faucets to control the water's flow had long been removed. Accordingly, house to house inspections had to be conducted by the implementing contractor before the water supplied could be turned on.

The push effort came about in that the waste water system was already at full capacity with little or no room to handle the added burden that the new potable water system would deliver. The waste water system consisted of a series of open canals that are located below sea level and could only discharge at low tide. This was going to be one stinking situation! Relief for the sewerage system was not planned for another couple of years.

Library of Congress

Q: What prompted your career change?

MEENAN: The regional audit office was in the process of moving to Florida and given my work experiences, we decided a change was needed to a more productive career in USAID. I had progressed to the point that once I learned the name of a project, I could already identify its potential problem areas. It was felt that I could make a better contribution if I could be more directly involved in the design of these activities to better insure the shortcomings were address at an early stage in the activities development.

During our home leave, I took the opportunity to meet with various USAID/Washington offices. One such visit was with Princeton N. Lyman, who was undertaking the planning for a major Sahel, Africa development effort. Fortunately, he recognized my background skills and thought I could contribute to this new effort. Unfortunately, the audit office was reluctant to release me and I had used up most of my available leave.

I remembered from my days in Saigon that a colleague, who had an assignment problem with USAID, turned to his congressman and received appropriate relief. Since I believed that my services could better help the Agency achieve its mission with a career transfer, I contacted my two California senators, Alan Cranston and John Tunney. I later learned that both of them contacted USAID and the audit office allowed my career change.

It proved to be a real pleasure working to support the Africa Bureau's Sahel efforts that Mr. Lyman was leading. Princeton recognized that with my background, I could contribute more to the Agency in the future if I broadened my training by attending the six month intensive Economic & Commercial Studies course offered by the Foreign Service Institute. I found the course most challenging and it laid the foundation for my follow-on work in project design and management.

Q: Today is the 27th of November, 2007. Jim, we're going back to Africa bureau. When did you make this career transfer?

Library of Congress

MEENAN: I was able to make the change in 1974 and remained with the Africa Bureau until my reassignment in 1978. The initial tasks encompassed mobilizing project design teams comprising the technical expertise that could rapidly assess the economic conditions in the Sahel countries and develop basic project interventions to address food, water and related survival needs.

Q: Could you explain where is the Sahel and what was the problem in this period of time?

MEENAN: The Sahel covered the countries on the southern border of the Sahara Desert in Africa. These countries food resources had mostly been depleted by drought that brought famine to its nomadic herders or indigenous farmers. The idea was to see what we could do with basic economic assistance to try to demonstrate what kinds of crops that could be produced in the arid areas that could sustain life. Efforts would also focus upon reducing the traditional deforestation practices of “slash and burn” agricultural practices that further depleted the lands ability to produce crops. The program would strive to teach the farmers how to use sustainable agriculture crops and sound irrigation practices that would help stabilize the area which was being depleted. The Sahel program went well and the Africa Bureau used it as its pilot activity to test USAID's new Planning, Budgeting, Accounting, and Review (PBAR) initiative. I was pleased to be appointed the Bureau liaison with the Agency for this effort.

Q: We're talking about AID.

MEENAN: Yes. The main focus of the PBAR initial effort was to expand the project design process to build in benchmarks of performance so that management could determine if the activity was achieving its early objectives on the road to achieving its overall impacts. This was a major change in the way the Agency did business, because historically, projects were initiated with only a final objective. Thus management could not determine if the projects were on target while the funds were being spent, so midcourse corrective action could be taken or the project cancelled.

Library of Congress

Q: Did you find that there was resistance to this? A lot of people have great ideas and they put them in, and the nature of business is we walk away and move on to something else. They feel they've accomplished something, but when you go back three years later, it's dead.

MEENAN: You're right on the money. This had been the past practice of the USAID. One person would design the project, move on, then another would come along to implement it and in many cases restructure the activity to reflect that person's views. After the money was spent, the USAID would claim success but the country and the recipients were not much better off.

Thus the initial PBAR effort was to try to stabilize the project's design so that as people changed posts, which in those days was every two to four years, the project's scope would remain clear in so far as a record of how it was designed, how it was to be implemented, how it was progressing. You would have continuity as the money was being spent, which afforded management the opportunity to assess the real progress being achieved and make any needed early adjustments.

Q: Was there any effort at this time to say, "Okay, we've had this such-and-such program—let's go back five years later and find out how it stands?"

MEENAN: Yes. The project's design would incorporate end objectives that included the replication of the successes of the initial project some years out. When the project was finished, management also looked at the multiplication factors in it - was it not only successful in this one area, but was it having an impact for the whole country outside of the initial pilot area? Built into the design were often three, five or more years follow up reviews to assess the activity's impact as part of the country's overall economic development strategy.

Q: What were you seeing?

Library of Congress

MEENAN: I found the new approach to project design and management to be a great improvement over the old ways in USAID as long as it stayed focused on its primary mission of economic development. In more recent years, it has strayed into non-economic activities that do not yield much in measurable results, so it has reverted back to spending the funds with not much to show for the expenditures.

The experience has also shown that the U.S., as an outside party, can not have much of an impact with its planned interventions in a country until that country's leaders and population decide, themselves, that they want to get serious and make the internal changes needed to address its economic problems.

Let's go back a bit to Latin America, in the '60s and '70s and even today with the Millennium Challenge Corporation, where the U.S. provided cash transfers to foster desired policy reforms in the local governments. Those efforts initially worked pretty well, but as soon as the money dried up or there was a change in administration, the policy reforms were often altered if not reversed.

This is why today, the Millennium Challenge Corporation needs to identify a way to link the agreed policy reforms to a more permanent relationship agreement with the U.S., such as one of the Free Trade Agreements that the U.S. and the recipient country has entered. This linkage idea was proposed to the U.S. Trade Representative and Secretary of Commerce, when I was a private sector trade advisor to them following my Foreign Service career.

Q: While you were in the Africa bureau, did you note whether any, in the '74 to '78 period, particular countries or programs that were particularly troubled?

MEENAN: The problems seemed to emanate from the people that were designing the projects. It appeared that a cookie cutter approach was being applied without adequate consideration of the local conditions. In short, what worked in one country or region

Library of Congress

was being applied automatically to the local situation. Projects were also being piled on the local government without adequate consideration of its capacity to meet the stated obligations and the project's end objectives were being dramatically overstated.

As an aside, today the Washington Post has a very interesting article quoting the Secretary of Defense promoting the need for increasing U.S. economic assistance level as well as soft diplomacy because the U.S. cannot have a military answer to all of its international problems. That was a workable approach, in earlier times, which helped countries to neutralize revolutionary and destabilizing elements. Surprisingly, this pitch came from the Pentagon and not the Department of State, which is facing ever reducing budgetary allocations.

Q: Let's talk about project development. What does that mean?

MEENAN: Projects are the specific interventions a donor country or organization makes to effect improvements in addressing a particular local need. In most cases, the type and scope of assistance to be provided is guided by overall U.S. economic and political policies for the region and country.

The process of identifying a particular project intervention comes after more macro-economic analysis of the region and country's needs and growth potential. This analysis produces country level development strategies, often broken by specific economic sector. The micro-economic sector analysis then produces identified areas for improvement for which specific projects are designed to address. To avoid overlap, the donor countries and multilateral development banks hold coordinating meetings in order to clarify which sectors and specific project interventions that each will make.

At this point the donor will assemble a project design team that will contain the technical and economic staff needed to effectively define the specific problem to be addressed and

Library of Congress

the resources that will be provided over a specific time period to correct or improve the situation.

USAID had adopted a fairly rigorous matrix analysis tool for the development of projects that would capture the key basic data with measurable benchmarks for performance monitoring. That matrix would document:

—the financial, technical, equipment, and training inputs to be made; —the specific outputs that would be realized; —the project purpose that would be achieved; and —the overall project/sector goal that would be supported.

For each of these four components, the project would document the assumptions that would have to be realized to make the project a success, including host country reform commitments.

This approach to economic development generally worked very well, unless political considerations were introduced or USAID drifted away into non-economic areas.

Q: I would think some countries have military coup after military coup. What would you do with that, write it off?

MEENAN: When a country is destabilized the U.S. can only do what the local situation will allow it to do. It must find some stable institutions, government or non-government organizations; it can work with to deliver basic assistance that can reach the population, until some semblance of overall order is restored. Some countries are more resilient than others in dealing with destabilization forces and its informal sectors (black markets) can often play a greater role until order returns to the national economy.

To help facilitate order in the shortest timeframe, it is helpful if the assistance provided focuses upon keeping the population occupied or gainfully employed with a minimum food supply to sustain itself.

Library of Congress

Q: One of the things I've heard— that AID gives a contract to a university or a consulting firm to collect a lot of data, but basically it doesn't go anywhere.

MEENAN: As noted in the project design process, there is a need for extensive regional, country, and sector analysis. The problem comes about when the contract for this analysis is awarded and the contractor's performance is not effectively monitored. The issue develops when a poorly defined scope of work is included in the contract and the requesting officer does not closely monitor the contractor's performance to insure adequate analysis is being delivered. This problem is even greater today, because USAID has dramatically reduced its Foreign Service staff with the needed expertise to carry out the Agency's mission and now emphasizes contract personnel and outside contractors, who lack the capabilities to adequately manage the USAID efforts. Thus, host countries that are looking for progress in solving economic problems end up only receiving analytical reports but no real solutions.

There's nothing much left on the USAID skeleton, anymore. The U.S. needs a visionary leader to refocus its foreign economic assistance program and restore a dedicated Foreign Service staff at the Agency.

Q: Let's talk about the time that you had taken the economics course. What benefits did you gain?

MEENAN: The Economic & Commercial Studies course helped broaden my perspective as to economics and the important role it plays in nation building. This was augmented by my participation in the USAID Development Studies program which went extensively into the development process for projects.

These two detailed courses proved invaluable in my next assignment in Sri Lanka where I would be designing as well as monitoring the implementation of economic assistance projects. Sri Lanka offered a unique opportunity to view the impacts of an

Library of Congress

emerging economy since it had just completed an election and the former socialist focused government was replaced with one emphasizing an open economy.

Q: You were there from when to when?

MEENAN: We enjoyed one of our longer assignments in Sri Lanka, serving there from 1978 to 1983. This was one of the most enlightening parts of my career where everything came together.

The country had just finished a socialist regime; had a good social services network for catching people who were disadvantaged; had a heavily controlled and regulated economy; and lacked real growth prospects with needed new investments. Sri Lanka played a pivotal role in the life of Buddha and still contains the bow tree where supposedly Buddha passed on and reached Nirvana.

My first task was to see what I could do in designing a program to evolve a private sector development strategy along with a follow-on support project.

Q: What was your job?

MEENAN: Since the national government was in transition from a closed to an open economy, I undertook the design of a private sector development strategy and follow-on project. It first took many separate meetings with the individual public and private sector leaders, until the mistrust could be calmed and a common ground could be identified for collaboration and development. Once brought together, the services of a well respected U.S. commercial development firm was introduced to work with the parties to identify and document the policy reforms needed to best develop the sectors offering the greatest opportunities for growth, using comparative advantage and value added analysis. In the end, a good development strategy was evolved and interesting enough the Japanese Ambassador, with U.S. Embassy blessing, hosted a presentation of the findings and recommendations. They filmed the event for Japanese business consumption, while

Library of Congress

the U.S. Embassy only sent the final report to the U.S. Commerce Department, by sea shipment. The Japanese were very active in the commercial development of the Asia region, including Sri Lanka.

Georgia Tech University had a good USAID/Washington sponsored program of introducing hand pumps on newly cleaned/capped wells in developing countries to provide a safer rural water supply. With my local business contacts, a good foundry was identified and the project move ahead at a good pace. Sri Lanka had a rubber institute that proved most helpful in improving the design of the old leather flapper valve on the pump with a sturdier rubber valve.

With the good results from the hand pump, we explored what could be done in the Northern Jaffna region of the country to provide a better water supply. I soon became friends with the leading Parliamentarian, N.V. Navaratnam, from that area and head of the Tamil United Liberation Front (TULF). I traveled often to that area with a U.S. geologist who identified a good underground water supply. We witnessed some of the damage that was done by the national police in the North and the clashes between the two ethnic groups in the country.

During the Indian Ocean Crisis, the U.S. fleet was not welcome for port visits in many countries in the area, but Sri Lanka was an exception. The Deputy Chief of Mission of the Embassy, Harry Cahill, and I were tasked to organize civic action projects for volunteers from the fleet when they came to visit. One such project was the repair and painting of the emergency room at the local hospital. The conditions were sickening with blood splattered walls and bare electrical wiring. The sailors did an outstanding job, and as a thank you, Harry's and my family opened our houses for a barbecue and refreshments. However, the biggest hit was the opportunity to have a fresh water shower, since they had been at sea for some time taking only salt water baths.

Library of Congress

Q: What did you find the cadre of Sri Lankan government officials? How well were they suited for this type of work?

MEENAN: The officials I had the pleasure of working with were open and committed to doing what was right for the country's growth. Likewise, the private sector leaders also proved extremely cooperative, thus we were able to broker a mutual dialogue and formulate a private sector growth strategy for the country. Mr. Harold Fernando, Senior Assistant Secretary of the Ministry of Local Government, Housing and Construction was our lead official for the private sector effort as well as the introduction of the Georgia Tech hand pump. He was a very dedicated official with strong social responsibility views that reflected his related work as a preacher. Mr. M.D.P. Dias, President of the Chamber of Small Industries also proved invaluable and his foundry produced the hand pump.

Q: Did you find any particular problems with your American staff?

MEENAN: While the USAID functioned reasonably well, there was one senior official who continually inserted himself, usually at the last minute, into the design effort. This became problematic in that he would make uninformed changes that went counter to the arrangements that had been worked out with the host country. In one incident, changes were made on the private enterprise project design that was questioned by AID/ Washington. A congressional staff member even got involved and upon his arrival in Sri Lanka learned of the original design and supported the reversal of the impromptu changes.

Q: What was your next assignment?

MEENAN: We were pleased to next be assigned to the USAID program in Manila, Philippines from 1983 through 1987.

A couple of days after our arrival at Post in 1983, Mr. Benigno S. Aquino was killed and the remaining years to 1987 saw the collapse of the economy and the downfall of the Marcos government. We lived in Magallanes Village on the outskirts of Makati, that was the focal

Library of Congress

point for the “people's power revolution”, with the international airport to the rear of the compound. At one point the rear wall of the compound fell and for some time we had the problem of flooding in the houses during heavy rain storms.

I worked closely with Philippine governors and mayors on the design/management of over 3,000 economic development projects with a value of \$210 million. These projects accounted for the funds the U.S. was providing the country to pay for the use of Clark Airbase and Subic Naval operations.

Q: Which experiences stand out most?

MEENAN: One mayor in particular proved most active in promoting his city's development, Mayor Richard Gordon of Olongapo City that bordered the U.S. Subic Naval Base. With the city facing electrical problems, I arranged to have a U.S. senior technician spend a few months in the city. He lived in the humble residence of the mayor and proved most helpful in introducing new efficiencies to the system.

During the height of the revolt against the Marcos Administration, Mayor Gordon showed up one evening at my home with his bodyguards and invited me to join him for a short trip. He took me to a gathering place for the rebels and presented me with an arm patch that was used to identify those forces and it was signed by some of the rebel leaders, including “Gringo” Honasan.

That relationship with the Mayor has continued. When I was with Geo Research, we introduced their unique digital mapping technology to the Mayor, who was now leading the conversion and privatization of the old Subic Naval Base into a free trade zone. We learned that the old plans left by the Navy were not accurate, so we documented the proper alignment for the runway so FedEx could better make use of the facility for its new Asia Hub. When I was with U.S. Sen. Baucus, the Mayor visited Washington and I had the pleasure to bring him to the floor of the U.S. Senate and House, during a recess. When we got to the House floor, he turned to me and said one day he would return for a Joint

Library of Congress

Session of Congress, meaning when he became President of the Philippines. He did unsuccessfully run for that post, but now is one of the few nationally elected Philippine Senators.

After the Marcos downfall, there were many accusations that the base funding was misused. So I took a USAID investigator with me on a field inspection of a school and road built in Bataan, on the back side of the Subic Naval Base. While the projects were fine, the local mayor offered to radio ahead to clear our travel on the road which ran up to the closed back gate of the base. In driving the road in our armored vehicle, we kept seeing the dense brush along the road being parted so someone could observe our movements. When we arrived at the closed gate, the investigator declined to exit the vehicle with me to hail the U.S. Marine guard, who was stationed about 100 yards from the locked gate. We did gain access, but were promptly debriefed by the Munitions Dump Commander and the Admiral of the Base. We asked if the Mayor's radio message had been received and they advised that they had no radio contact with her. Also, they were involved in a current sweep and destroy action by the Philippine Marines against the New Peoples Army, which was active in the area. We advised we did not see any action. We do believe the Mayor's radio clearance was arranged with the New Peoples Army and that investigator never traveled with me again.

Our two sons attended the International School in Makati where Mrs. Ramos taught. Her husband was one of the rebel leaders and we later learned that Marcos attempted to send his loyal troops to capture her and the students, but failed when the rebel forces got there first.

After a major portion of the Philippine helicopter forces, stationed behind our residential compound, joined the rebels, they flew back down our street at rooftop level waiving to us as they fired upon the few helicopters that did not join them.

Q: How was the economy during these times?

Library of Congress

MEENAN: Much like Chile during its turmoil, we had the unpleasant experience of watching the national economy collapse to the point that only the informal (black market) sector was functioning. An interesting thing for the Philippines is their shadow economy, the informal structure literally kept the country somewhat functioning until some semblance of order could be restored. That literally—those informal structures and little shops—kept that economy alive, and people were able to eat and shop even when the national economy collapsed on them.

Q: How was the bases funding managed?

MEENAN: The U.S. bases funding was used to construct local infrastructure projects that would improve the wellbeing of the population. The U.S. would generate local currency with the dollars provided going directly to the national treasury. The local currency, in turn, would be used for mutually agreed upon and completed projects: roads, schools, hospitals, public markets, and similar infrastructure activities. While we would initially review and approve proposed projects—we had a good staff of engineers at the mission, local and American—we would not transfer any funds until the projects were completed, inspected, and met acceptable construction standards. Often enough there were a lot of games being played in the awarding of the contracts and the construction. The USAID engineers would inspect during the construction process as well as completing a final inspection before the project was accepted. Many projects were required to be reworked and some even disapproved, so the Philippine government would not be reimbursed in those cases.

In the end, there were a lot of good infrastructure projects completed, including schools. Old ramshackle dumpy schools were turned into very functional institutions with a common design that was tailored for the local environment. The Philippine government staff was comprised of very dedicated people who wanted to gain the most benefits for the country from the base “rental” funding.

Library of Congress

Q: How did Marcos exit the country?

MEENAN: When the Marcos administration did fall, he was escorted from the Presidential Palace to the U.S. Embassy grounds on his small boat, whose mast had to be chopped to fit under a low bridge. Later some USAID staff was called to the Embassy to assist with loading Marcos' heavy bags so he could be transported by helicopters to Clark Air Base.

Related to Marcos' departure was the work of a regional USAID staffer in the Clark Airbase area, who had good Philippine contacts. One of Marcos's colleagues, Eduardo Cojuangco, Jr. then head of San Miguel Corp., also needed to be matched up with the departing flight. This staffer knew Cojuangco, so he made contact, drove him, hiding in the rear of his vehicle, past the Philippine guards and onto Clark Airbase in time to make the exit flight with Marcos.

Q: Where were you assigned after the Philippines?

MEENAN: We were reassigned to USAID/Washington's Asia & Near East Bureau from 1987 until 1990, when I was fortunate to be assigned to the staff of U.S. Senator Max Baucus. In the Bureau, I was backstopping the USAID programs in Burma, Indonesia and ASEAN, the Association of Southeast Asia Nations including Singapore, Malaysia, Thailand, Indonesia, Philippines, and Brunei.

Q: What initiatives did you work on in this period?

MEENAN: I developed a new U.S. economic assistance program (Private Investment & Trade Opportunities Project) focused on improved trade and investment activities for the ASEAN countries. Building upon my Sri Lanka experience, the project had two main but closely linked functions - a trade transaction facilitation component and a trade policy reform element. This approach would also serve me during my work with Senator Baucus as well as with the U.S. House of Representatives, Committee on Small Business.

Library of Congress

I performed a comprehensive review of the U.S. economic assistance program to Indonesia (28 projects, \$490 million) identifying causes for delays in program implementation and worked with USAID/Indonesia to overcome shortcomings in program design and management. One key insight gained from this was how USAID achieved major financial sector reforms, only to have the Japanese capitalize on them since the U.S. trade facilitation operations appeared broken. A fact documented at the April 26, 2006 Committee on Small Business Hearing I helped organize along with the follow-on investigations of the subject by seven Inspectors General from the key Federal departments.

As the backstop officer for the USAID program in Burma, I had the unpleasant duty of working with the field director and headquarters legal staff to close that Mission's operations.

Q: How was the congressional assignment arranged and for how long?

MEENAN: I remained interested in the possibility of an assignment to the congress. While the Office of Personnel Management had a program, I found the Foreign Service Act made provision for assignment to the congress, similar to an overseas posting. However, when I asked USAID officials how that would work, they only advised me to first obtain the congressional request for my services, then they would consider it. After a year of trying, I was in the middle of a round of follow-up phone calls, when, by luck, I contacted U.S. Senator Max Baucus' office on the day they had decided to bring on another fellow. When I brought back the letter of request for my services, I learned that the response was not going to be favorable, so a friend held that response until others in USAID could provide important input and the assignment was approved. It was helpful that Senator Baucus was active on the Small Business, Finance (Trade), Agriculture, and Environment/Public Works Committees, all of which dealt in one way or another with USAID interest areas. The initial two year assignment started in 1990 and with a one year extension ran to 1993.

Library of Congress

Q: What items did you work on for the Senator?

MEENAN: When I first joined the Senator's office, I was pleased to organize a trade mission to Montana for the Washington, DC based Ambassadors of the ASEAN countries, whom I had been working with earlier. That trip proved most productive. During the stop in Billings, Montana, a dinner was arranged on the prairie amongst Indian tents for the delegation. I later learned that a Hollywood film crew was not happy since the location for the dinner was within their filming area for the movie "Dances with Wolves". So look closely during the movie for a group of Asian ambassadors roaming amongst an Indian village and enjoying a good meal.

Many of the earlier private enterprise development actions proved instrumental in undertaking new efforts through the Senate. We found common trade interests shared by a group of senators and formed a coalition consisting of Boren, Bentsen, Baucus and Byrd, which the Washington Post referred to as the "Killer Bs", due to all having the letter "B" in their last names.

On the legislative front, the "Bs" drafted and managed the passage of "AID for Trade" legislation that pushed USAID to more actively assist U.S. industry to expand commercial ties in developing foreign markets. At one point in the legislative process, we learned that the manager of the bill, to which this amendment would be added, was planning to only have it added by a voice vote and then kill it in conference with the House of Representatives. So the "Bs" insisted upon a Roll Call Vote and it passed the Senate on a 99 to 0 vote. Even the manager of the bill had to vote for it, given the appeal of the actions being legislated. I attended the conference with the House of Representatives and was pleased to see the amendment adopted and made law.

Similarly, when the Freedom Support Act for Russia was reported out from the Senate Foreign Relations Committee, it had none of the key business development provisions the Presidents of the two countries (RussiU.S.) had discussed. Accordingly, we formed

Library of Congress

a working group with the private sector and crafted the needed legislative amendment. Senator Lieberman joined the “Bs” in this effort. I was pleased to accept Sen. Baucus' invitation to join him on the floor of the Senate, covered by C-Span television, to observe the introduction of the amendment and his speech in support of its passage. The amendment passed and eventually became law.

I prepared and implemented a commercial development initiative, using Montana as a pilot state, which included: preparation of a state commercial growth strategy; profiling local businesses looking to expand overseas; accessing Federal support programs to enter new markets; and arranging necessary contacts for foreign market entry.

This period proved to be a highlight of my career and the experience gained would continue to serve me well in my post Foreign Service career ventures.

Q: What types of trade related activities did you enter after retirement?

MEENAN: My Foreign Service career work served me well and permitted further expansion in my post career efforts including:

GeoReasearch, Inc. (1993-97) As the Vice President for International, I was pleased to establish a Washington, D.C. office, including the formulation and implementation of a comprehensive strategy to introduce GeoResearch's unique satellite mapping technology to new markets, both foreign and domestic.

I directly helped expand the company's sales by having the U.S. Army and Federal Emergency Management Agency adopt its technology, winning a major Mexico contract, and opening new markets in Asia and Latin America.

During the demonstration of the technology on a ferry in the Potomac River, we were aiming a laser rangefinder on objects to obtain their coordinates. At one point a white bottomed helicopter flew into the beam and within minutes we were approached by a

Library of Congress

military gunship that looked over our operations. It seemed the earlier helicopter belonged to the White House and our rangefinder may have set off its self defense alerts.

Trade Policy AdvisoSecretary of Commerce and U.S. Trade Representative (1994-2005)I was appointed to the U.S. Industry Sector Advisory Committee (ISAC) for Trade Policy Matters, representing small/minority businesses, and elected to the U.S. Industry Functional Advisory Committee (IFAC) for Intellectual Property. During my tenure, that included a two year election as Chairman of the ISAC, I undertook a review of Federal export financing programs noting significant gaps and recommended needed corrective measures, which were approved by the full ISAC.

To better help small business access Federal trade support programs, I created, in 1965, the International Trade Desk on Internet (<http://members.aol.com/tradedesk>).

Advice was provided on new free trade agreement provisions and flaws in U.S. trade facilitation operations. Particular help was provided for the Government Procurement provisions to the agreements, based on my earlier USAID experiences in this area. Unfortunately, advice provided on the Electronic Commerce provisions was not well received, since the negotiators were not focused on helping small business, but more on the electronic and recording industry. That is why those provisions only cover the duty free transfer of electronic data.

I took the opportunity to raise with senior officials the issue of a lack of ongoing leverage to help the Millennium Challenge Corp. insure the developing country policy reforms are sustained, even after the initial cash transfers took place. I recommended tying the policy reforms to the new free trade agreements, which had a much longer life than the cash transfers. This recommendation was based on my earlier USAID experience in Latin America where the sector cash transfers for policy reforms failed because the policy reforms did not last with a change in administration or the completion of funding.

Library of Congress

International Management & Development Institute (IMDI) (1997-2000) As Vice President, I actively participated in educational and related networking forums, sponsored by IMDI, to promote government-business dialogue and cooperation covering international trade, finance, economic and foreign policy issues.

I managed the Tripartite Gateway Program that facilitated U.S.-Finnish-Russian public/private sector interchanges for the expansion of mutual commercial ties.

U.S. House of Representative Committee on Small Business (2005-06) I functioned as the Senior Trade Advisor, promoting the expansion of small business in trade, using as a pilot, a group of Northern Illinois firms to better access federal trade facilitation programs.

With Chairman Manzullo's approval, I organized an April 26, 2006 hearing on the shortcomings in the U.S. trade facilitation operations. The hearing brought together key public and private sector leaders, some of whom had not previously worked together. It documented that the U.S. does not have a National Export Strategy as required by Congress. In the question and answer portion, the AFSA President summed up the real findings when he commented that the U.S. was headed 180 degrees the wrong way on trade facilitation, when compared with our trading partners. The U.S. is reducing funding, cutting staffing, and eliminating trade related resources, just at the critical time that new free trade agreements are being enacted and our trade partners are expanding their global trade efforts. That hearing lead to the requested follow-on investigations by seven Inspectors General, whose reports further documented the Hearing findings. The reports are available on my Internet International Trade Desk site at <http://members.aol.com/tradedesk>. Efforts to correct these problems continue.

Q: Jim, I want to thank you very much.

MEENAN: Thank you.

Library of Congress

End of interview